

A METHOD FOR DYNAMICALLY EVALUATING PROJECTED DAYS OF
SUPPLY OF INVENTORY LEVELS IN A SUPPLY CHAIN

ABSTRACT OF THE DISCLOSURE

An exemplary embodiment of the invention relates to a method for managing inventory of a stock item over a number of convenient time periods. The method comprises receiving 5 an updated demand forecast and updating projected forecast data; determining for a given time period: projected inventory level using the projected forecast data, supplier commitment data, and prior periods' projected inventory levels; and days of supply of inventory using the projected 10 inventory level for a current period and forecast data for subsequent periods. If the days of supply is out of a predetermined range for a given time period, then corrective actions are taken. Corrective actions include modifying the supplier commitment data by increasing the 15 amount of commitment or delaying shipments.